

# Supporting Associations of Housing Cooperatives

Kazakstan

## Background

Beginning in 1995, several cities in Kazakstan assumed an activist role in facilitating the formation of housing cooperatives. Cities took initiatives to raise fees for communal services and utilities to market rates and provide targeted housing allowance programs to households less able to pay the full cost of these services. These initiatives led to national government resolutions that established a market pricing system and provided social protection to citizens. By January 1997, a total of more than 3,600 homeowner associations and cooperatives had been formed. These cooperatives were formed to address the responsibility for the common areas and land adjacent to buildings with privatized housing units. Local officials were used to the highly organized Soviet housing structure and needed to find a way to work effectively with the multitude of housing cooperatives. As a response to the demands raised by the cooperative leaders, local officials encouraged the formation of Regional Associations of Housing Cooperatives.

## Innovation

Since October 1996, housing cooperatives have begun to join together to form regional associations of housing cooperatives, which are non-governmental organizations (NGOs). Local officials see these organizations as an effective, interactive link between homeowner cooperatives and the government and as possible sources of training and consultation for cooperatives. Some cities have gone so far as to provide office space for associations. The regional associations have begun to use their collective bargaining power to advance the common interests of their membership through negotiations with utility providers and municipal governments. The associations also plan to provide training for housing cooperative boards of directors and other training and informational services to their members. In January 1997, a national workshop in Almaty brought leaders of the regional associations of homeowners together for the first time with senior officials of the government and members of Parliament. The workshop was noteworthy for the high level of interaction among the participants and the opportunity for homeowner associations to influence the national agenda.

## Results

Eighteen regional associations of housing cooperatives now exist in Kazakstan, representing approximately 30 percent of all housing and about 1,000 housing cooperatives in the country. By working together through regional associations, individual housing associations and cooperatives have already shown their potential for influencing policy at the national and local levels, as well as their ability to form bargaining units that can obtain more competitively priced services for their members. The regional association in Semipalatinsk successfully negotiated price reductions for liquid gas and hot water on behalf of its member cooperatives. The same cooperatives also worked with the local government to define alternatives to the government requirement that housing cooperatives sign the contract for utilities of the individual units. The Semipalatinsk association convinced the local government to order a reduction in tariffs charged by suppliers after the association documented the real cost. Homeowners now have a choice: they can be metered individually or through the cooperative. Finally, one outcome of the January 1997 workshop is a draft decree that incorporates a broad range of policy issues outlined in a letter submitted to the President, Prime Minister, and Parliament by the associations. One important feature is a mandate that local governments provide office space for associations.

## Summary

To work effectively with the multitude of housing cooperatives, local officials in Kazakstan encouraged the formation of regional associations of housing cooperatives. Eighteen associations now exist, representing approximately 30 percent of all housing and about 1,000 housing cooperatives in Kazakstan. The regional associations have already shown their potential for influencing policy at the national and local levels, as well as their ability to form bargaining units that can obtain more competitively priced services for their members.

**For more information contact:**

**Valery Yegorevich  
Andreitsev  
President, Semipalatinsk  
Association of Cooperatives  
Tel./Fax: (7-3222) 447779**